In the Claims

1-16.   (Canceled)

17.   (Currently Amended) In a television network environment consisting of a display

device and a storage medium, a method for delivering advertisements to subscribers in advance

of presentation of the advertisements to the subscribers, the method comprising:

transmitting advertisements within ~~to subscribers over~~ an advertisement channel to

subscribers in advance of presentation of the advertisements to the subscribers, wherein the

advertisements are transmitted at a bit rate ~~bandwidth~~ that is less ~~then~~ than the bit rate ~~bandwidth~~

required to present the advertisements in real time, ~~and are accordingly transmitted in advance of~~

~~presentation of the advertisements to the subscribers~~; and

storing the advertisements in a storage medium.

18.   (Previously Presented) The method of claim 17, further comprising selecting

targeted advertisements to be transmitted to the subscribers, wherein said transmitting includes

transmitting the targeted advertisements.

19.   (Previously Presented) The method of claim 18, wherein the targeted

advertisements are selected for the subscribers based on subscriber characteristics.

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20. (Currently Amended) The method of claim 19, wherein the subscriber characteristics include at least some subset of demographic[[s]] attributes, geographic attributes, psychological attributes, and viewing attributes.

21. (Previously Presented) The method of claim 17, further comprising forming subgroups of subscribers that share one or more common subscriber characteristics, wherein said transmitting includes transmitting the advertisements to the subgroups.

22. (Currently Amended) The method of claim 21, further comprising selecting targeted advertisements for the subgroups, wherein said transmitting includes transmitting the targeted advertisements to the subgroups.

23. (Currently Amended) The method of claim 17, wherein said transmitting includes transmitting the advertisements within the advertisement channel at a constant bit rate.

24. (Currently Amended) The method of claim 17, wherein said transmitting includes transmitting the advertisements within the advertisement channel at a variable bit rate that changes over time according to ~~amount of~~ bandwidth available for the advertisement channel.

25. (Currently Amended) The method of claim 24, wherein the ~~amount of~~ bandwidth available for the advertisement channel is ~~determined by subtracting amount of~~ based on bandwidth used and ~~by the television network from~~ total bandwidth of the television network.

26.   (Currently Amended) The method of claim 25, wherein the ~~amount of~~ bandwidth used ~~by the television network~~ includes bandwidth <u>used</u> for transmitting programming channels.

27.   (Currently Amended) A system for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers, the system comprising:

a transmitter for transmitting the advertisements to the subscribers ~~over~~ <u>within</u> an advertisement channel <u>in advance of presentation of the advertisements to the subscribers,</u> wherein the advertisements are transmitted at a <u>bit rate</u> ~~bandwidth~~ that is less ~~then~~ <u>than</u> the <u>bit rate</u> ~~bandwidth~~ required to present the advertisements in real time, ~~and are accordingly transmitted in advance of presentation of the advertisements to the subscribers~~;

a storage medium for storing the advertisements; and

a display device interface for allowing the advertisements to be presented to the subscriber.

28.   (Previously Presented) The system of claim 27, further comprising an advertisement selector for selecting targeted advertisements to be transmitted to the subscribers.

29.   (Currently Amended) The system of claim <u>28</u> ~~27~~, further comprising a subgroup creator for forming a subgroup of subscribers <u>having</u> ~~for transmitting the advertisement channel to, wherein the subscribers within the subgroup have~~ at least one subscriber characteristic in common<u>, wherein said transmitter transmits the targeted advertisements to the subgroups.</u>

30. (Currently Amended) The system of claim 27, wherein said transmitter transmits the ~~advertisements within the~~ advertisement channel at a constant bit rate.

31. (Currently Amended) The system of claim 27, wherein said transmitter is capable of monitoring available bandwidth _for the advertisement channel_ and statistically ~~varies~~ _varying_ ~~the bit~~ rate ~~of transmission of~~ _that_ the advertisements _are transmitted at_ based on the available bandwidth.

32. (Currently Amended) In a television network environment consisting of a display device and a storage medium, a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers, the method comprising:

forming a subgroup of subscribers that share one or more common subscriber characteristics;

selecting targeted advertisements to be transmitted to the subgroup;

transmitting the targeted advertisements to the subgroup ~~over~~ _within_ an advertisement channel _in advance of presentation of the advertisements to the subscribers,_ wherein the targeted advertisements are transmitted ~~in advance of presentation of the targeted advertisements to the subscribers~~ _at a bit rate that is less than the bit rate required to present the targeted advertisements in real time;_ and

storing the targeted advertisements in a storage medium.

33. (Canceled)

34.   (Currently Amended) The method of claim 32, wherein said transmitting includes transmitting the targeted advertisements <u>within the advertisement channel</u> at a variable bit rate, wherein the bite rate changes over time according to ~~amount of~~ bandwidth available for the advertisement channel.

35.   (Previously Presented) The method of claim 32, wherein said transmitting includes transmitting the advertisements off-peak.

36.   (Currently Amended) The method of claim 32, wherein said selecting includes selecting the targeted advertisements based on subscriber characteristics that include at least some subset of demographic[[s]] attributes, geographic attributes, psychological attributes, and viewing attributes.

37.   (New) A method for receiving advertisements for storage, the method comprising:

receiving advertisements over same medium as content is received, wherein the advertisements are transmitted over the medium at a low bit rate; and

storing the advertisements in a storage medium.

38.   (New) The method of claim 37, further comprising

retrieving the advertisements from the storage medium; and

presenting the advertisements to the subscribers.

39.   (New) The method of claim 37, wherein

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the medium has a predefined bandwidth;

the content delivered over the medium utilizes at least a portion of the predefined bandwidth of the medium, wherein bandwidth utilized is based at least in part on bit rate that the content is transmitted at; and

the advertisements are transmitted within remaining bandwidth.

40.   (New) The method of claim 37, wherein the low bit rate is less than a bit rate required to present the advertisements in real time.

41.   (New) The method of claim 37, wherein the low bit rate is less than a bit rate required to present the advertisement with an acceptable viewing quality.

42.   (New) The method of claim 37, wherein the low bit rate is a variable bit rate.

43.   (New) The method of claim 37, wherein the low bit rate is a bursty bit rate.

44.   (New) The method of claim 37, wherein the low bit rate utilizes leftover bandwidth in the medium.

45.   (New) The method of claim 37, wherein said receiving advertisements includes receiving advertisements in a discontinuous fashion.

46.   (New) The method of claim 37, wherein an advertisement may be received over a plurality of discontinuous streams.

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47.   (New) A method for transmitting advertisements to subscribers for storage, the method comprising:

transmitting at least one content stream to a subscriber over a medium;

determining bandwidth available after said transmitting at least one content stream;

transmitting advertisements to the subscriber over the medium, wherein the advertisements are transmitted at a low bit rate that is based on said determining, and wherein the advertisements are stored for possible later presentation to the subscribers.

48.   (New) The method of claim 47, wherein the low bit rate is less than a bit rate required to present the advertisements in real time.

49.   (New) The method of claim 47, wherein the low bit rate is less than a bit rate required to present the advertisement with an acceptable viewing quality.

50.   (New) The method of claim 47, wherein the low bit rate is a variable bit rate.

51.   (New) The method of claim 47, wherein the low bit rate is a bursty bit rate.

52.   (New) The method of claim 47, wherein said transmitting advertisements includes transmitting advertisements in a discontinuous fashion.

53.   (New) The method of claim 47, wherein an advertisement may be transmitted over a plurality of discontinuous streams.

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54. (New) In a content delivery network including a content supply, an advertisement supply, a delivery network, a content presentation device and a storage medium, a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers, the method comprising:

transmitting content to subscribers over a delivery network;

determining remaining bandwidth available in the delivery network after said transmitting content;

transmitting advertisements to the subscribers within the remaining bandwidth available in the delivery network, wherein the advertisements are transmitted at a low bit rate; and

storing the advertisements in the storage medium for possible later presentation to the subscribers.

55. (New) The method of claim 54, wherein the low bit rate does not provide for real time presentation of the advertisements.

56. (New) The method of claim 54, wherein the low bit rate is a variable bit rate.

57. (New) The method of claim 54, wherein the low bit rate is a bursty bit rate.

58. (New) The method of claim 54, wherein said transmitting advertisements includes transmitting an advertisement over a plurality of discontinuous streams.

59. (New) The method of claim 54, wherein said

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transmitting content includes transmitting content within channels;

determining includes determining remaining bandwidth within at least one channel after said transmitting content; and

said transmitting advertisements includes transmitting advertisements to the subscribers within the remaining bandwidth available in the at least one channel.

60.   (New) The method of claim 59, wherein said

transmitting content includes transmitting multiple program streams within at least one channel; and

determining includes determining remaining bandwidth within the at least one channel after said transmitting multiple program streams.

61.   (New) The method of claim 54, wherein said

transmitting content includes statistically multiplexing a plurality of digital program streams; and

determining includes determining remaining bandwidth after transmitting the statistically multiplexed digital program streams.

62.   (New) The method of claim 61, wherein said

statistically multiplexing includes statistically multiplexing the plurality of digital program streams in at least one channel; and

determining includes determining remaining bandwidth with the at least one channel after transmitting the statistically multiplexed digital program streams.

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